

the prior written consent of GCI shall have been obtained and except as otherwise contemplated herein, they shall operate the business of each entity in the AKD Group only in the usual, regular and ordinary course of business consistent with historical practice, incurring only ordinary and necessary business expenses consistent with historical practice. Without limiting the foregoing, unless the prior written consent of GCI shall have been obtained and except as otherwise contemplated herein, prior to the earlier of the termination of this Agreement pursuant to Section 11 or the Closing Date AKD, Parent and the AKD Members shall: (a) use commercially reasonable efforts to preserve intact the business and assets of each entity in the AKD Group, including present operations, facilities, employee relationships and relationships with lessors, licensors, suppliers and customers; (b) comply with all applicable laws and regulations, and maintain the licenses, registrations, rights and franchises of each entity in the AKD Group; (c) not declare, set aside or pay any dividend or make any distribution with respect to the membership interests of any entity in the AKD Group or redeem, purchase, or otherwise acquire any such membership interests, except for the distributions contemplated by Section 2.2; (d) not enter into any material contracts, obligations, commitments or agreements (including without limitation any material modification or amendment to any such contract, commitment or agreement) other than in the ordinary course of business; (e) not sell, dispose of or otherwise transfer or encumber any assets, except in the ordinary course of business consistent with past practice; (f) not increase the compensation, benefits or any other form of remuneration to officers or employees, other than in connection with promotions and performance reviews in accordance with past practice, and not award any bonuses or other extraordinary compensation to any officers or employees, except such as are paid in full in cash prior to the Closing; (g) not modify, alter or amend the terms or provisions of any AKD Plan; (h) maintain in full force and effect all insurance policies in effect on the date hereof or replacement policies providing comparable coverage if available on commercially reasonable terms; (i) not authorize for issuance, issue or obligate any entity in the AKD Group to issue any membership interests or any options, warrants, convertible securities or other rights to acquire any membership interests; (j) cause any entity in the AKD Group to pay and discharge all liabilities when due and not cause any entity in the AKD Group to accelerate the collections of receivables beyond their normal, stated terms; (k) not allow any entity in the AKD Group to hire additional management employees; and (l) not knowingly take any action that would (i) adversely affect the ability of any entity in the AKD Group to obtain any necessary approvals of any third parties or any governmental authorities required for the transactions contemplated hereby or materially increase the period of time necessary to obtain such approvals, or (ii) adversely affect any entity in the AKD Group's ability to perform its covenants and agreements under this Agreement or any other Transaction Agreement. Prior to Closing, AKD intends to acquire the interest of all Persons who are participants under that certain Profits Participation Plan and to terminate such Profit Participation Plan, and nothing contained in this Section 6.5 shall restrict the right of AKD to take such actions or require the consent of GCI prior to taking such actions.

6.6. Other Limitations on Conduct of Denali's Business. The Denali Members hereby covenant and agree with GCI that, prior to the earlier of the termination of this Agreement pursuant to Section 11 or the Closing Date, unless the prior written consent of GCI shall have been obtained and except as otherwise contemplated herein, they shall cause Denali to operate its business only in the usual, regular and ordinary course of business consistent with historical practice, incurring only ordinary and necessary business expenses consistent with historical practice. Without limiting the foregoing, unless the prior written consent of GCI shall

have been obtained and except as otherwise contemplated herein, prior to the earlier of the termination of this Agreement pursuant to Section 11 or the Closing Date the Denali Members shall cause Denali to: (a) use commercially reasonable efforts to preserve intact its business and assets, including present operations, facilities, employee relationships and relationships with lessors, licensors, suppliers and customers; (b) comply with all applicable laws and regulations, and maintain its licenses, registrations, rights and franchises; (c) not declare, set aside or pay any dividend or make any distribution with respect to its membership interests or redeem, purchase, or otherwise acquire any such membership interests; (d) not enter into any material contracts, obligations, commitments or agreements (including without limitation any material modification or amendment to any such contract, commitment or agreement) other than in the ordinary course of business; (e) not sell, dispose of or otherwise transfer or encumber any assets, except in the ordinary course of business consistent with past practice; (f) not increase the compensation, benefits or any other form of remuneration to its officers or employees, other than in connection with promotions and performance reviews in accordance with past practice, and not award any bonuses or other extraordinary compensation to any officers or employees, except such as are paid in full in cash prior to the Closing; (g) maintain in full force and effect all insurance policies in effect on the date hereof or replacement policies providing comparable coverage if available on commercially reasonable terms; (h) not authorize for issuance, issue or obligate itself to issue any membership interests or any options, warrants, convertible securities or other rights to acquire any membership interests; (i) pay and discharge all liabilities when due and not accelerate the collections of receivables beyond their normal, stated terms; and (j) not knowingly take any action that would (i) adversely affect its ability to obtain any necessary approvals of any third parties or any governmental authorities required for the transactions contemplated hereby or materially increase the period of time necessary to obtain such approvals, or (ii) adversely affect its ability to perform its covenants and agreements under this Agreement or any other Transaction Agreement.

6.7. Access to Information. Each entity in the AKD Group shall afford, and the Denali Members shall cause Denali to afford, GCI and its accountants, counsel and other representatives reasonable access during normal business hours prior to the Closing Date to (a) all of their financial statements, properties, books, contracts, commitments and records and (b) all other information concerning their business and assets as GCI may reasonably request. No information or knowledge obtained after the date hereof in any investigation pursuant to this Section 6.7 shall affect or be deemed to modify any representation or warranty contained herein or the conditions to the obligations of the Parties to consummate the transactions contemplated hereby.

6.8. Cooperation. Each of the Parties, upon the reasonable request from time to time of any other Party, shall take and cooperate with the other Parties in taking such actions as may be reasonably necessary or desirable to consummate the transactions contemplated hereby and to comply with the terms of this Agreement.

6.9. Announcements. Prior to the Closing, except as may be required by law or applicable stock exchange rules, no Party to this Agreement shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Parties, which approval will not be unreasonably withheld or delayed. If GCI believes that it is required by law or applicable stock exchange rules to make

such a public announcement, it shall promptly advise the other Parties and use reasonable efforts, consistent with its legal obligations or obligations under stock exchange rules, to allow the other Parties an opportunity to review and comment upon the announcement before the announcement is made.

6.10.

SECTION 7 CLOSING DELIVERIES

7.1. **Of AKD, Parent and the AKD Members.** At the Closing, AKD, Parent and the AKD Members shall make the following deliveries, unless waived by GCI:

(a) Parent and each AKD Member shall deliver a counterpart of the Operating Agreement, duly executed by such Person and duly executed by Fire Lake.

(b) AKD shall deliver to GCI an amended version of Schedule 1.3 and Schedule 4.1 of the Operating Agreement reflecting the AKD Common Units issued to GCI pursuant to Sections 2.3 and 2.4.

(c) Parent and each AKD Member shall deliver instruments of assignment in form and substance reasonably satisfactory to GCI transferring to AKD the number of AKD Common Units to be redeemed by AKD from Parent or such AKD Member pursuant to Section 2.4, with full warranty of title, duly executed by such Person.

(d) AKD shall deliver to Parent and the AKD Members cash or immediately available funds, by wire transfer as contemplated by Section 2.4

(e) The AKD Members shall cause Fire Lake to deliver a counterpart of the Management Agreement, duly executed by Fire Lake.

(f) AKD shall deliver evidence in form and substance reasonably satisfactory to GCI that the Management Agreement between AKD and Poplar Associates LLC has been terminated effective as of the Closing Date, without Liability or further obligation of AKD.

(g) AKD shall deliver a counterpart of the Management Agreement, duly executed by AKD.

(h) AKD shall deliver payoff letters in form and substance reasonably satisfactory to GCI with respect to any Liabilities of AKD that are to be paid off at the Closing with the GCI capital contributions made pursuant to Section 2.3.

(i) AKD, Parent and the AKD Members shall deliver counterparts of any other Transaction Agreements to which AKD, Parent or the AKD Members are a party, duly executed by such Party.

(j) AKD shall deliver an opinion of The Bogatin Law Firm, PLC, counsel to AKD, the AKD Members and the Denali Members, covering the matters set forth on the attached **Exhibit C**. Such opinion shall be dated as of the Closing Date and shall be in form and substance reasonably satisfactory to GCI and its counsel.

(k) AKD shall deliver an opinion of Lukas, Nace, Gutierrez & Sachs, Chartered, counsel to AKD, the AKD Members and the Denali Members, covering the matters set forth on the attached **Exhibit D**. Such opinion shall be dated as of the Closing Date and shall be in form and substance reasonably satisfactory to GCI and its counsel.

(l) AKD, Parent and each AKD Member shall deliver a certificate signed on behalf of AKD, Parent or such AKD Member by an authorized person, confirming that the conditions precedent to the obligations of GCI under Section 8.2.2 have been fulfilled, insofar as those conditions relate to the representations and warranties made by or to the obligations and covenants of AKD, Parent or such AKD Member.

(m) AKD shall deliver the certificate regarding wireless telephone subscribers contemplated by Section 3.5.4.

(n) AKD shall deliver a Non-Competition Agreement executed by each of the persons specified in **Schedule 7.1(n)** in the form attached as **Exhibit E**.

(o) AKD shall deliver such certificates or other documents as may be reasonably requested by GCI, including without limitation certificates of legal existence, good standing and certified charter documents from the Alaska Department of Commerce, Community, and Economic Development and certificates of officers or member AKD with respect to minutes, resolutions, bylaws and any other relevant matters concerning the authorization of the transactions contemplated hereby.

7.2. Of the Denali Members. At the Closing, each Denali Member shall make the following deliveries, unless waived by GCI:

(a) Each Denali Member shall deliver instruments of assignment in form and substance reasonably satisfactory to GCI transferring to GCI such Denali Member's Denali Interest, with full warranty of title, duly executed by such Denali Member.

(b) The Denali Members shall cause Denali to deliver instruments of assignment in form and substance reasonably satisfactory to GCI transferring to AKD the Denali Licenses, with full warranty of title, duly executed by Denali.

(c) Each Denali Member shall deliver counterparts of any other Transaction Agreements to which such Denali Member is a party, duly executed by such Denali Member.

(d) Each Denali Member shall deliver a certificate signed by such Denali Member on behalf of such Denali Member by an authorized person, confirming that the conditions precedent to the obligations of GCI under Section 8.2.3 have been fulfilled, insofar as those conditions relate to the representations and warranties made by or to the obligations and covenants of such Denali Member.

(e) The Denali Members shall deliver such certificates or other documents as may be reasonably requested by GCI, including without limitation certificates of legal existence, good standing and certified charter documents from the Alaska Department of Commerce, Community, and Economic Development and certificates of officers or member Denali with respect to minutes, resolutions, bylaws and any other relevant matters concerning the authorization of the transactions contemplated hereby.

7.3. Of GCI. At the Closing, GCI shall make the following deliveries, unless waived by the AKD Members' Agent and the Denali Members' Agent:

(a) GCI shall deliver to the Denali Members cash or immediately available funds, by wire transfer as contemplated by Section 2.1.

(b) GCI shall deliver to AKD cash or immediately available funds, by wire transfer as contemplated by Section 2.3.

(c) GCI shall deliver to AKD instruments of assignment in form and substance reasonably satisfactory to the AKD Members' Agent transferring to AKD the Denali Interest purchased by GCI pursuant to Section 2.1, with full warranty of title, duly executed by GCI.

(d) GCI shall deliver to AKD cash or immediately available funds, by wire transfer as contemplated by Section 2.4.

(e) GCI shall deliver counterparts of any other Transaction Agreements to which GCI a party, duly executed by GCI.

(f) GCI shall deliver a certificate signed by GCI by an authorized officer, confirming that the conditions precedent to the obligations of AKD, the AKD Members and the Denali Members under Section 8.1.2 have been fulfilled.

(g) GCI shall deliver such certificates or other documents as may be reasonably requested by the AKD Members' Agent or the Denali Members' Agent, including without limitation certificates of legal existence, good standing and certified charter documents from the Alaska Department of Commerce, Community, and Economic Development and certificates of officers of GCI with respect to minutes, resolutions, bylaws and any other relevant matters concerning the authorization of the transactions contemplated hereby.

SECTION 8 CONDITIONS PRECEDENT

8.1. Conditions to Obligations of AKD, Parent, the AKD Members and the Denali Members The obligations of AKD, Parent, the AKD Members and the Denali Members to consummate the transactions contemplated by this Agreement are subject to the satisfaction, prior to or contemporaneously with the Closing, of the following conditions, which may be waived in whole or in part by a written instrument signed by the AKD Members' Agent and the Denali Members' Agent:

8.1.1. Closing Deliveries by GCI. GCI shall have tendered delivery of all items required to be delivered by GCI under Section 7.

8.1.2. Representations; Covenants; Closing Certificates. The representations and warranties of GCI contained in Section 5, if qualified by reference to materiality, shall be correct and complete, and if not so qualified, shall be correct and complete in all material respects, as of the Closing Date. GCI shall have complied with all covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

8.1.3. General. All instruments and legal and corporate proceedings on the part of GCI in connection with the transactions contemplated by this Agreement and the other Transaction Agreements shall be reasonably satisfactory in form and substance to AKD, the AKD Members and the Denali Members.

8.2. Conditions to Obligations of GCI. The obligations of GCI to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, prior to or contemporaneously with the Closing, of the following conditions, which may be waived in whole or in part by GCI in writing:

8.2.1. Closing Deliveries by AKD, Parent, the AKD Members and the Denali Members. AKD, Parent, the AKD Members and the Denali Members shall have tendered delivery of all items required to be delivered by them under Section 7.

8.2.2. Representations and Covenants of AKD, Parent and the AKD Members. The representations and warranties of AKD, Parent and the AKD Members contained in Section 3, if qualified by reference to materiality, shall be correct and complete, and if not so qualified, shall be correct and complete in all material respects, as of the Closing Date. AKD, Parent and each AKD Member shall have complied with all covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

8.2.3. Representations and Covenants of the Denali Members. The representations and warranties of the Denali Members contained in Section 4, if qualified by reference to materiality, shall be correct and complete, and if not so qualified, shall be correct and complete in all material respects, as of the Closing Date. Each Denali Member shall have complied with all covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

Party requesting such cooperation is adverse to the Party from whom such cooperation is requested; and (f) cooperating with the other Parties (at such other Parties' expense except as provided in this Agreement) in exercising any right or pursuing any claim, whether by litigation or otherwise, other than rights and claims running against the Party from which such cooperation is requested.

9.2. **Announcements.** Following the Closing, except as may be required by law, no Party to this Agreement shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Parties, which approval will not be unreasonably withheld or delayed. If GCI believes that it is required by law to make such a public announcement, it shall promptly advise the other Parties and use reasonable efforts, consistent with its legal obligations, to allow the other Parties an opportunity to review and comment upon the announcement before the announcement is made.

SECTION 10 INDEMNIFICATION

10.1. **Indemnification by AKD, Parent and the AKD Members.** Subject to the limitations set forth in this Section 10, AKD, Parent and the AKD Members hereby agree, jointly and severally, to indemnify and hold harmless GCI, AKD, any employee benefit plan of GCI or AKD and each of their respective officers, directors, employees and Affiliates (each, in such capacity, a "GCI Indemnatee"), from, against and in respect of any and all Adverse Consequences arising from, or otherwise related to, directly or indirectly, any of the following:

(a) Any breach of any representation or warranty made by AKD, Parent or the AKD Members in this Agreement or any other Transaction Agreement (as each such representation or warranty would be read if all qualifications as to materiality or knowledge or words of similar import were deleted therefrom); and

(b) Any breach or default in performance by AKD, Parent or any AKD Member of any covenant or other agreement in this Agreement or any other Transaction Agreement.

10.2. **Indemnification by the Denali Members.** Subject to the limitations set forth in this Section 10, the Denali Members hereby agree, jointly and severally, to indemnify and hold harmless each GCI Indemnatee from, against and in respect of any and all Adverse Consequences arising from, or otherwise related to, directly or indirectly, any of the following:

(a) Any breach of any representation or warranty made by the Denali Members in this Agreement or any other Transaction Agreement (as each such representation or warranty would be read if all qualifications as to materiality or knowledge or words of similar import were deleted therefrom); and

(b) Any breach or default in performance by any Denali Member of any covenant or other agreement in this Agreement or any other Transaction Agreement.

10.3. **Indemnification by GCI.** Subject to the limitations set forth in this Section 10, GCI hereby agrees to indemnify and hold harmless AKD, Parent, the AKD Members

and the Denali Members, and each of their respective officers, directors, employees and Affiliates, from, against and in respect of any and all Adverse Consequences arising from, or otherwise related to, directly or indirectly, any of the following:

(a) Any breach of any representation or warranty made by GCI in this Agreement or any other Transaction Agreement (as each such representation or warranty would be read if all qualifications as to materiality or knowledge or words of similar import were deleted therefrom); and

(b) Any breach or default in performance by GCI of any covenant or other agreement in this Agreement or any other Transaction Agreement.

10.4. Survival; Time Limits for Indemnification. The representations and warranties made in this Agreement, or in any certificate or other document delivered pursuant to this Agreement or in connection with this Agreement, will survive the Closing Date as follows (even if the damaged party knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing): (a) the representations and warranties contained in Sections 3.1, 3.2, 3.3.2, 3.9.2, 4.1, 4.2, 4.3 and 4.9.2 hereof shall not terminate and shall survive the Closing Date indefinitely; (b) the representations and warranties contained in Sections 3.4.4, 3.6, 3.7, 3.8, 4.4.4, 4.6, 4.7 and 4.8 hereof shall survive the Closing Date for a period of three years and shall terminate on the third anniversary of the Closing Date; and (c) all other representations and warranties in this Agreement or in any certificate or other document delivered pursuant to this Agreement or in connection with this Agreement survive the Closing Date for a period of two years and shall terminate on the second anniversary of the Closing Date. The covenants of the Parties made in this Agreement will survive the Closing Date indefinitely. Each Party shall promptly notify the others of any facts or other circumstances of which such Party becomes aware or has any knowledge that could give rise to a claim for indemnification under this Agreement by any Party. No Party will have any obligation to indemnify any Person pursuant to this Agreement with respect to any breach of a representation or warranty unless a notice of such breach is given to the Party against whom indemnification is sought on or prior to the last day of the applicable survival period, except that if a Party has a reasonable basis to believe that an indemnifiable claim will arise and gives notice to the other Party concerning such matter within the survival period, then all rights of such Party to seek indemnification with respect to such matter will survive the expiration of such period for a period of 180 days. If an indemnifiable claim has not arisen prior to the expiration of that 180-day period but the Party continues to have a reasonable basis to believe that an indemnifiable claim will arise and gives notice to such effect to the other party prior to the end of such 180-day period, then all rights of the Party to seek indemnification with respect to such matter will survive for one additional period of 180 days. If an indemnifiable claim does not arise prior to the end of the second 180-day period, the rights of the Party to seek indemnification will terminate at the expiration thereof. If a Party is obligated to indemnify another Party against a particular breach, the indemnity obligation shall extend to all Adverse Consequences, whether occurring before or after the survival period.

10.5. Basket and Cap.

10.5.1. Tipping Basket. AKD, Parent, the AKD Members and the Denali Members (as a group) will have no obligation to indemnify any GCI Indemnitee from and

against any Adverse Consequences under Section 10.1 or 10.2 until the GCI Indemnitees (as a group) have suffered Adverse Consequences in the aggregate amount of \$ or more arising from, or otherwise related to, directly or indirectly, any of the items set forth in Section 10.1 or 10.2. If and when the aggregate of such Adverse Consequences exceeds \$ the GCI Indemnitees shall be entitled to indemnification against all Adverse Consequences incurred under Section 10.1 or 10.2, including the initial \$ of Adverse Consequences.

10.5.2. Indemnification Cap. The aggregate indemnification obligations of AKD, Parent, the AKD Members and the Denali Members under Sections 10.1 and 10.2 shall not exceed the sum of (x) \$ plus (y) the aggregate purchase price for the AKD Common Units purchased by GCI from AKD pursuant to Section 2.4.

10.5.3. Exceptions. Notwithstanding anything to the contrary in this Agreement, there shall be no limitation on any GCI Indemnitee's right to indemnification from and against any Adverse Consequences arising directly or indirectly out of (a) any breach of any representation, warranty or covenant of AKD, Parent, an AKD Member or a Denali Member that involves an intentional misrepresentation or the commission of fraud by AKD, Parent or such AKD Member or Denali Member or (b) any act or omission or other matter arising prior to Closing that involves a claim by a third party for material misrepresentation, fraud, gross negligence or intentional misconduct, and each GCI Indemnitee shall have all remedies available to it at law and in equity with respect to any such breach, act, omission or matter.

10.6. Defense of Claims. The procedures to be followed with respect to the defense and settlement of any claim made by a Third Party which, if true, would give rise to a right on the part of a Party to be indemnified against resulting Adverse Consequences (an "Indemnitee"), in whole or in part, under this Section 10 (a "Claim") shall be as follows:

(a) Unless in the reasonable judgment of the Party seeking indemnification under this Section 10 (i) there is a conflict between the positions of the Party against whom indemnification is sought under this Section 10 (the "Indemnifying Party") and the Indemnitee in conducting the defense of such Claim or (ii) legitimate legal or business considerations would require the Indemnitee to defend or respond to such Claim in a manner different from the Indemnifying Party, the Indemnifying Party shall, by giving notice thereof to the Indemnitee confirming the Indemnifying Party's obligation under this Section 10 to indemnify the Indemnitee in respect of such Claim, be entitled to assume and control such defense with counsel chosen by it. The Indemnitee shall be entitled to participate therein after such assumption, but the costs of such participation (other than the costs of providing witnesses or documents at the request of the Indemnifying Party or in response to legal process) following such assumption shall be at the expense of the Indemnitee. Upon assuming such defense, the Indemnifying Party shall have full right to enter into any compromise or settlement which is dispositive of the matter involved; provided that, except for the settlement of a Claim that involves no obligation of the Indemnitee other than the payment of money for which full indemnification is provided hereunder, the Indemnifying Party shall not settle or compromise any Claim without the prior written consent of the Indemnitee, which consent will not be unreasonably withheld or delayed; and provided, further, that the Indemnifying Party may not consent to entry of any judgment or enter into any settlement in respect of a Claim which does not include an unconditional release of the Indemnitee from all liability in respect of such Claim.

(b) With respect to a Claim as to which the Indemnifying Party does not have the right to assume the defense under Section 10.6(a) or shall not have exercised its right to assume the defense, the Indemnitee shall assume and control the defense of such Claim with counsel chosen by it and the Indemnifying Party shall be obligated to pay all reasonable attorneys' fees and expenses of the Indemnitee incurred in connection with such defense. The Indemnifying Party shall be entitled to participate in the defense of such Claim at its own expense. Notwithstanding the foregoing, the Indemnitee shall not be required to defend any Claim under this Section 10.6(b) unless (i) the Indemnifying Party confirms its obligation under this Section 10 to indemnify the Indemnitee in respect of such Claim by written notice to the Indemnitee and (ii) if requested by the Indemnitee, the Indemnifying Party provides reasonable assurance to the Indemnitee of the Indemnifying Party's financial ability to indemnify the Indemnitee against the costs of defense and any liability that may result from such Claim, including providing a bond or other security therefor if reasonably requested by the Indemnitee. If the Indemnitee is not required to defend any Claim under the immediately preceding sentence, it shall owe no duties to the Indemnifying Party with respect to such Claim, and may defend, fail to defend or settle such Claim without affecting its right to indemnity hereunder. If the Indemnitee is required to defend any such Claims under this Section 10.6(b), it shall not settle or compromise the Claim without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld or delayed.

(c) If in the reasonable judgment of the Indemnitee it would be materially harmed or otherwise prejudiced by not entering into a proposed settlement or compromise as to which the Indemnifying Party withholds consent, the Indemnitee may enter into such settlement or compromise, but such settlement or compromise shall not be conclusive as to the existence or amount of the liability of the Indemnifying Party to the Indemnitee or any Third Party.

(d) Both the Indemnifying Party and the Indemnitee shall cooperate fully with one another in connection with the defense, compromise or settlement of any Claim, including without limitation making available to the other all pertinent information and witnesses within its control at reasonable intervals during normal business hours.

SECTION 11 TERMINATION

11.1. Right to Terminate. The parties may terminate this Agreement as provided below:

(a) GCI, the AKD Members' Agent and the Denali Members' Agent may terminate this Agreement by mutual written consent at any time prior to the Closing.

(b) GCI may terminate this Agreement by giving written notice to the AKD Members' Agent and the Denali Members' Agent at any time prior to the Closing (i) in the event AKD, any AKD Member or any Denali Member has breached any representation, warranty or covenant contained in this Agreement in a way that would result in the nonfulfillment of the conditions to the obligations of GCI hereunder, GCI has notified such Party of the breach, and the breach has not been cured within 10 days after the notice of breach or such

longer period as agreed by the parties or (ii) if the Closing has not occurred on or before June 1, 2007 because of the failure of any condition precedent to the obligations of GCI to consummate the Closing (unless the failure results primarily from GCI breaching any representation, warranty or covenant contained in this Agreement).

(c) The AKD Members' Agent or the Denali Members' Agent may terminate this Agreement by giving written notice to GCI at any time prior to the Closing (i) in the event GCI has breached any representation, warranty or covenant contained in this Agreement in a way that would result in the nonfulfillment of the conditions to the obligations of AKD, the AKD Members and the Denali Members hereunder, the AKD Members' Agent or the Denali Members' Agent has notified GCI of the breach, and the breach has not been cured within 10 days after the notice of breach or such longer period as agreed by the parties or (ii) if the Closing has not occurred on or before June 1, 2007 because of the failure of any condition precedent to the obligations of AKD, Parent, the AKD Members or the Denali Members to consummate the Closing (unless the failure results primarily from AKD, any AKD Member or any Denali Member breaching any representation, warranty or covenant contained in this Agreement).

11.2. Effect of Termination. The termination of this Agreement by a party pursuant to Section 11.1(b) or (c) will in no way limit any obligation or liability of any other Party based on or arising from a breach or default by such other Party with respect to any of its representations, warranties, covenants or agreements contained in this Agreement prior to the termination, and the terminating party will be entitled to seek all relief to which it is entitled under applicable law.

11.3. Specific Performance. In view of (a) the complexities and uncertainties in measuring actual damages to be sustained by reason of the failure of a Party to perform this Agreement strictly in accordance with the specific terms hereof, and (b) the uniqueness of the transactions contemplated herein, each of the Parties acknowledges and agrees that: (i) the remedy at law for a breach of this Agreement would be inadequate, and (ii) the other Parties would be irreparably damaged if any Party fails to perform the provisions of this Agreement strictly in accordance with their specific terms. Therefore, it is expressly agreed that, in addition to any other remedy to which a nonbreaching Party may be entitled, at law or in equity, the nonbreaching Parties shall be entitled to injunctive relief to prevent breaches of the provisions of this Agreement and to specifically enforce the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having subject matter jurisdiction thereof.

SECTION 12 MISCELLANEOUS

12.1. Arbitration. The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement or any other Transaction Agreement through discussions between the senior management of the Parties. If these discussions are unsuccessful, the Parties agree that any action asserting a claim by one Party against any other Party or Parties hereto (collectively, the "Disputing Parties") arising out of or relating to this Agreement or any other Transaction Agreement shall, on the written notice by

one Disputing Party to the others, be submitted to binding arbitration to be held in Seattle, Washington. The arbitration shall be conducted by and in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Disputing Parties shall hold an initial meeting within thirty (30) days from receipt of notice from the requesting Party of a request for arbitration. Unless otherwise agreed in writing, they will jointly appoint a mutually acceptable arbitrator not affiliated with any of the Disputing Parties. If they are unable to agree upon such appointment within thirty (30) days of the initial meeting, the Disputing Parties shall obtain an odd numbered list of not less than five (5) potential arbitrators from the Superior Court for the Third Judicial District, State of Alaska. Each Disputing Party shall alternatively strike a single name from the list until only one name remains, with such person to be the arbitrator. The Disputing Party requesting the arbitration shall strike the first name. Each Disputing Party shall pay an equal share of the costs related to the arbitration, unless the arbitrator's decision provides otherwise. Each Disputing Party shall bear its own costs to prepare for and participate in the arbitration. Each Disputing Party shall produce at the request of any other Disputing Party, at least thirty (30) days in advance of the hearing, all documents to be submitted at the hearing and such other documents as are relevant to the issues or likely to lead to relevant information. The arbitrator shall promptly render a written decision, in accordance with Alaska law and supported by substantial evidence in the record. The prevailing Party shall be entitled to recover reasonable attorneys' fees, costs, charges and expended or incurred therein, if the arbitrator's decision so provides. Failure to apply Alaska law, or entry of a decision that is not based on substantial evidence in the record, shall be additional grounds for modifying or vacating an arbitration decision. Judgment on any arbitration award shall be entered in any court of competent jurisdiction. In any subsequent arbitration, the decision in any prior arbitration of this Agreement shall not be deemed conclusive of the rights among the parties hereunder.

12.2. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska without giving effect to any choice or conflict of laws rule or provision that would cause the application of the domestic substantive laws of any other jurisdiction.

12.3. Notices. All notices and other communications required or permitted hereunder shall be in writing (including any facsimile transmission or similar writing), and may be given by any means selected by the sender. Each such notice or other communication shall be effective (i) if sent by facsimile to the recipient's fax number given below, when such facsimile is transmitted and the sender's facsimile machine confirms transmission, (ii) if sent by reputable overnight courier to the recipient's address given below, one Business Day after being delivered to such courier or (iii) if sent by any other means, when actually received.

To GCI:

General Communication, Inc.
2550 Denali Street, Suite 1000
Anchorage, AK 99503
Attention : Corporate Counsel
Fax No. : (907) 868-5676

With a copy to:

General Communication, Inc.
2550 Denali Street, Suite 1000
Anchorage, AK 99503
Attention : General Manager & Executive Vice President
Fax No. : (907) 868-5676

To AKD, Parent or any AKD Member:

Pacificom Holdings, LLC
c/o Wireless Partners
5350 Poplar Avenue, Suite 875
Memphis, TN 38117
Attention: Stephen M. Roberts
Fax No.: (901) 763-3369

With a copy to:

The Bogatin Law Firm, PLC
1661 International Place Drive, Suite 300
Memphis, Tennessee 38120-1431
Attention: Jack S. Magids
Fax No. (901) 767-2803

To any Denali Member:

Pacificom Holdings, LLC
c/o Wireless Partners
5350 Poplar Avenue, Suite 875
Memphis, TN 38117
Attention: Stephen M. Roberts
Fax No.: (901) 763-3369

With a copy to:

The Bogatin Law Firm, PLC
1661 International Place Drive, Suite 300
Memphis, Tennessee 38120-1431
Attention: Jack S. Magids
Fax No. (901) 767-2803

Any Party may change its address or facsimile number to be used for purposes of this Section 12.3 by notice to the other Parties; provided that no such change shall require any Party to give any notice to any AKD Member other than to the AKD Members' Agent or to any Denali Member other than to the Denali Members' Agent.

12.4. Entire Agreement, Assignability, Etc. This Agreement (including the Schedules and Exhibits attached hereto) (i) constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the Parties, or any of them, with respect to the transactions and matters contemplated hereby, including the Amended and Restated Memorandum of Understanding dated January 26, 2006 among GCI, AKD and Denali, as amended, and (ii) is not intended to confer upon any Person other than the Parties hereto any rights or remedies hereunder. No Party may assign its rights or delegate its duties under this Agreement without the consent of the other Parties, and any purported assignment or delegation without such consent shall be null and void.

12.5. Counterparts. This Agreement may be executed in any number of counterparts, no one of which need be signed by all Parties, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. This Agreement may be executed or delivered by facsimile.

12.6. Representations as to Knowledge. Whenever any statement in this Agreement is made "to its knowledge" or words of similar intent or effect, (a) an individual will be deemed to have knowledge of a particular fact or other matter if (i) that individual is actually aware of that fact or matter, or (ii) a prudent individual could be expected to discover or otherwise become aware of that fact or matter in the course of conducting a reasonably comprehensive investigation regarding the accuracy of any representation or warranty contained in this Agreement; and (b) a Person (other than an individual) will be deemed to have knowledge of a particular fact or other matter if any individual who is serving, or who has at any time served, as a director, officer, general partner, registered agent, general manager, director of engineering, executor or trustee of that Person (or in any similar capacity) has, or at any time had, knowledge of that fact or other matter (as set forth in (i) and (ii) above), and any such individual (and any Party to this Agreement) will be deemed to have conducted a reasonably comprehensive investigation regarding the accuracy of the representations and warranties made herein by that Person or individual.

12.7. Headings, Terms. The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement. Defined terms are applicable to both singular and plural forms. All pronouns will be deemed to refer to the masculine, feminine or neuter, as the identity of the Person may require. The singular or plural includes the other, as the context requires or permits. The word include (and any variation) is used in an illustrative sense rather than a limiting sense. The word day means a calendar day. All references to "Sections" are to sections of this Agreement unless indicated otherwise.

12.8. Amendments. This Agreement may be amended only by a written instrument signed by GCI, the AKD Members' Agent and the Denali Members' Agent.

12.9. Waivers. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such

occurrence, and no waiver will be effective unless set forth in writing and signed by the Party against whom such waiver is asserted.

12.10. Severability. The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of the remaining terms and provisions hereof.

12.11. Remedies Cumulative. Subject to Section 12.1, all remedies of the Parties under this Agreement or any other Transaction Agreement are cumulative with each other and with any other remedies available at law, in equity or by contract. Any decision to pursue one remedy shall not prevent a Party from pursuing any other remedy at the same or any subsequent time.

12.12. Expenses. Except as otherwise provided in this Agreement, each Party will bear all costs and expenses (including all legal, accounting and tax related fees and expenses) incurred by it in connection with this Agreement and the transactions contemplated hereby.

12.13. Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. The Parties intend that each representation, warranty and covenant contained herein will have independent significance. If any Party breaches any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached will not detract from or mitigate the fact that the Party is in breach of the first representation, warranty or covenant.

12.14. AKD Members' Agent and Denali Members' Agent. Pacificom shall act as the "AKD Members' Agent," and Pacificom shall act as the Denali Members' Agent under this Agreement. Parent and each AKD Member hereby authorizes and appoints the AKD Members' Agent, and each Denali Member hereby authorizes and appoints the Denali Members' Agent, as his or its exclusive agent and attorney-in-fact to act on behalf of such Person with respect to all matters which are the subject of this Agreement, including, without limitation, (a) receiving or giving all notices, instructions, other communications, consents or agreements that may be necessary, required or given hereunder, (b) agreeing to any amendment of this Agreement or any other Transaction Agreement or waiving any right or remedy of Parent and the AKD Members or the Denali Members (as the case may be) hereunder or thereunder, and (c) asserting, settling, compromising, waiving or defending, or determining not to assert, settle, compromise or defend, (i) any claim which Parent or any AKD Member or Denali Member (as the case may be) may assert, or have the right to assert, against GCI, or (ii) any claim which GCI may assert, or have the right to assert, against Parent or any AKD Member or any Denali Member (as the case may be). Neither Parent nor any AKD Member shall act with respect to any of the matters which are the subject of this Agreement except through the AKD Members' Agent, and no Denali Member shall act with respect to any of the matters which are the subject of this Agreement except through the Denali Members' Agent.

12.15. Incorporation of Exhibits. The Exhibits and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

12.16. No Tax Advice. Each Party hereby acknowledges that any tax advice express or implicit in the provisions of this Agreement is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. Each Party should seek advice based on its particular circumstances from an independent tax advisor.

IN WITNESS WHEREOF, the Parties have duly executed this Reorganization Agreement as of the date first above written.

GENERAL COMMUNICATION, INC.

By: _____
Name: _____
Title: _____

ALASKA DIGITEL, LLC

By: _____
Name: _____
Title: _____

AKD HOLDINGS, LLC

By: _____
Name: _____
Title: _____

PACIFICOM HOLDINGS, LLC

By: _____
Name: _____
Title: _____

RED RIVER WIRELESS, LLC

By: _____
Name: _____
Title: _____

GRAYSTONE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have duly executed this Reorganization Agreement as of the date first above written.

GENERAL COMMUNICATION, INC.

By: _____
Name: _____
Title: _____

ALASKA DIGITEL, LLC

By: _____
Name: _____
Title: _____

AKD HOLDINGS, LLC

By: _____
Name: _____
Title: _____

PACIFICOM HOLDINGS, LLC

By: _____
Name: _____
Title: _____

RED RIVER WIRELESS, LLC

By: _____
Name: _____
Title: _____

GRAYSTONE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the Parties have duly executed this Reorganization Agreement as of the date first above written.

GENERAL COMMUNICATION, INC.

By: _____
Name: _____
Title: _____

ALASKA DIGITEL, LLC

By: _____
Name: _____
Title: _____

AKD HOLDINGS, LLC

By: _____
Name: _____
Title: _____

PACIFICOM HOLDINGS, LLC

By: _____
Name: _____
Title: _____

RED RIVER WIRELESS, LLC

By: _____
Name: _____
Title: _____

GRAYSTONE HOLDINGS, LLC

By: _____
Name: _____
Title: _____

EXHIBIT A

Management Agreement

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (the "Agreement") is entered into effective as of the [] day of [], 2006, by and between FIRE LAKE PARTNERS, LLC, an Alaska limited liability company (the "Manager") and ALASKA DIGITEL, LLC, an Alaska limited liability company (the "Client" or "AKD").

RECITALS:

- A. Manager is engaged in the business of providing management services.
- B. Client desires to engage Manager under the terms of this Agreement to provide executive management services for and on behalf of Client and Manager agrees to provide such services on the terms and subject to the conditions as set forth in this Agreement.
- C. This Agreement is being entered into pursuant to the provisions of that certain Reorganization Agreement dated as of June 16, 2006 entered into among Client, the members of Client, AKD Holdings LLC, a Delaware limited liability company, the members of Denali PCS, LLC, an Alaska limited liability company, and General Communication, Inc. an Alaska corporation ("GCI") (the "Reorganization Agreement") and that certain Second Amended and Restated Operating Agreement of AKD dated as of [], 2006 (the "Operating Agreement").

NOW, THEREFORE, in consideration of the premises and the obligations undertaken by the parties hereto, Client and Manager agree as follows:

ARTICLE 1 APPOINTMENT OF MANAGER

1.1 Appointment and Acceptance. Client hereby appoints Manager to provide the Services (hereinafter defined) and Manager hereby accepts such appointment upon the terms and conditions set forth in this Agreement.

1.2 Services. Manager shall provide senior management and administration services for Client's business (the "Services"). Unless Client and Manager agree otherwise, the Services shall be provided by William M. Yandell and Stephen M. Roberts (the "Executives"), and subject to the terms and conditions of the Operating Agreement, the Executives shall also be executive officers of Client with such titles as Client's Board of Managers shall determine. Manager shall serve under the direction of and shall report to Client's Board of Managers.

ARTICLE 2 AUTHORITY AND DUTIES

2.1 Management and Administrative Authority. Through the Executives, Manager shall have authority and responsibility to conduct, supervise and manage the business and day to day affairs of Client. Manager shall have responsibility and commensurate authority for the provision of Services to Client as provided in this Agreement. Manager will provide the Services and manage the business in accordance with (a) all applicable rules, regulatory

ordinances, or laws, statutes, codes or other requirements of any federal, state or local government authority, or any agency, authority or instrumentality thereof, (b) all contracts applicable to the business of Client, (c) such policies and procedures as Client may establish from time to time, and (d) in accordance with operating and capital budgets established by Client.

2.2 Facilities. Unless otherwise required by Client and agreed to by Manager, Manager shall perform the Services from Manager's office premises.

2.3 Communications and Reports. At such time and upon the request of the Board of Managers of Client, Manager shall deliver periodic written reports to Client in form reasonably satisfactory to Client. Client may at all reasonable times and during usual business hours audit, examine, and make copies of or extracts from the books of account, records and other files relating to Client's business and affairs which are maintained by or under the control of Manager.

2.4 Limitation on Authority. Manager will not, without written authorization from Client (and from GCI in the case of an action specified by Section 2.4(g) below), for and on behalf of Client:

(a) terminate or materially modify any of the governmental authorizations or any material contracts relating to the business of Client;

(b) make, cause to be made, contract for or agree to any expenditure not provided for in budgets approved by Client if the total costs of all such expenditures will exceed \$250,000;

(c) commence or settle any legal proceeding relating to the business of Client that is not in the ordinary course of business;

(d) make any payment or obligate Client to make any payment relating to the business of Client outside the scope of this Agreement or outside the scope of the normal operating expenditures contemplated by this Agreement (and Manager will, upon receipt of any statement, invoice, bill or other notification of any items clearly outside the scope of this Agreement, immediately forward such notification to Client);

(e) sell or hypothecate any of the assets of the business of Client, except for sales made in the ordinary course of business and except for worn out or obsolete materials, supplies and equipment, any proceeds of which will be the property of Client to the extent not expended for replacement of such materials, supplies or equipment;

(f) maintain or employ on behalf of the business of Client, outside professional experts or specialists (e.g., attorneys, technical consultants, marketing contractors), except to the extent that such utilization is authorized by budgets approved by Client; or

(g) engage in any of the transactions specified by Sections 7.1[i] through 7.1[xvii] of the Operating Agreement.

ARTICLE 3 COMPENSATION AND BENEFITS

3.1 Management Fee. Client agrees to pay to Manager a management fee (the "Management Fee") of \$ _____ per year during the Term. The Management Fee shall be payable in equal monthly installments as provided in Section 3.3 below.

3.2 Reimbursement of Expenses. Client agrees to reimburse Manager for all reasonable out of pocket expenses incurred by Manager (the "Expenses") in the provision of the Services. The Expenses shall not include the costs of the salaries of the Executives and the general occupancy or overhead expenses of Manager in its Memphis, Tennessee office such as rent, telephone, building fees, utilities and parking, all of which shall remain the responsibility of Manager.

3.3 Payment of Management Fee and Expenses. A statement of the Management Fee and Expenses for each calendar month shall be presented to Client by Manager for services rendered during the preceding month on or before the tenth (10th) day of the month, and payment shall be made by Client on or before the twentieth (20th) day of the month (the "Draw"). Client authorizes Manager to pay each Draw from the bank accounts of Client maintained by Manager on or before the due date thereof.

3.4 Health Insurance. Client shall provide health insurance coverage (including family coverage) to the Executives. If necessary to meet eligibility requirements under Client's group health insurance plan, Client shall carry the Executives as employees of Client on the books of Client and pay to the Executives only as much salary as is necessary to cover the cost of such health insurance, which cost shall be netted against the salary paid by Client to the Executives.

3.5 No Other Benefits. Other than as specifically set forth herein, Client shall not be responsible for any of Manager's financial obligations to any Executive.

ARTICLE 4 TERM AND TERMINATION

4.1 Term. This Agreement shall be effective as of the date hereof and shall continue for an initial term of _____ (the "Initial Term") unless otherwise sooner terminated as provided herein. This Agreement shall be automatically renewed for terms (each a "Renewal Term" and together with the Initial Term collectively the "Term") on the same terms and conditions, unless either party provides written notice to the other party of its election ("Non-Renewal Election") not to renew this Agreement on or before prior to the expiration date of the then current Term.

4.2 Termination Upon Default. Either party shall have the right to terminate this Agreement upon the occurrence of an Event of Default (as hereinafter defined). For purposes of this Agreement an "Event of Default" shall be deemed to occur if either party defaults in the performance of any material agreement, term or provision of this Agreement and such default continues for a period of sixty (60) days after written notice thereof by the nondefaulting party to the defaulting party; provided, however, that (a) if such failure is susceptible to cure but is of a

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nature that cannot be reasonably cured within such sixty (60) cure period, and (b) the defaulting party promptly initiates efforts to cure and thereafter diligently proceeds with such efforts, the defaulting party shall have such additional period of time as may be reasonably necessary to effectuate a cure, but in no event shall the cure period exceed one hundred twenty (120) days.

4.3 Transition. Upon termination the parties agree to cooperate with each other to effect a smooth transition to Client or such other management company as may assume the management responsibilities for Client. Manager shall be paid Management Fees and Expenses through the expiration of any such transition period.

4.4 Fees Upon Termination. All accrued and unpaid Management Fees and Expenses payable to Manager pursuant to the terms of this Agreement shall be paid upon termination of this Agreement.

ARTICLE 5 TRIGGERING EVENTS

5.1 Certain Defined Terms. For purposes of this Article:

(a) “Call Option Event” means the exercise by GCI of a call option granted under Sections 14.1[a], 14.1[b] or 14.1[c] of the Operating Agreement.

(b) “Change of Control Event” means an event which results in a “Change of Control” (as defined in the Operating Agreement) with respect to AKD.

(c) “EBITDA” means earnings before interest, taxes, depreciation and amortization as calculated in a manner consistent with past practice and determined in accordance with generally accepted accounting principles as in effect from time to time in the United States of America.

(d) “EBITDA Multiplier” means the quotient of (i) EBITDA for AKD for the calendar quarter in which the Triggering Event occurs, divided by (ii) the forecasted amount of EBITDA for the same quarter as set forth in *Annex A* to the this Agreement; provided, that if such calculation yields a number lower than one, the EBITDA Multiplier will equal one, and if such calculation yields a number higher than two, the EBITDA Multiplier will equal two. If it is determined that the Manager has taken any extraordinary actions not in the ordinary course of business or consistent with past practice (and which actions have not been approved by a unanimous consent of the Board of Managers of AKD) for the purpose of increasing EBITDA for any particular calendar quarter with respect to which the EBITDA Multiplier is calculated, then appropriate adjustments will be made to EBITDA for such quarter in order to negate the impact of such extraordinary actions. Notwithstanding the foregoing, the parties shall mutually negotiate any appropriate adjustment to the EBITDA Multiplier to negate the impact of any extraordinary costs incurred in such period, such as for approved marketing costs and/or integration activities.